

Manager Asset Analysis

Similar to the way, Ambac would review an individual CDO of ABS, the CSAC team responsible for ABS analysis ("LIG") performs a fundamental analysis of each credit they review, starting with an understanding of the Issuer / Servicer, looking at their operational capabilities, past performance and financial resources. They then perform a review of the credit, evaluating borrower quality, FICO, LTV, pool-level credit enhancement, and generate loss curves with a proprietary model which incorporates historic performance data from Loan Performance Corporation ("LPC"), and running stress tests on the credits. The team runs forecasting models that take all delinquencies beyond 59 days and take them to full default over the next 24 months (assumes zero cures). Severity levels are calculated to determine the level at which losses would occur, meaning they push (stress) the collateral to the point at which the structure incurs a loss, to ensure that the subordination level covers the level of default that may exist in the market. If the results satisfy LIG coverage requirements, the credit is then viewed in the broader sense of the structure they're developing and how the cash flow profile matches that of the CDO.

The internally developed model incorporates LPC performance data from 1997 – 2002 and uses this data to generate loss curves for each credit reviewed. Portfolio management tools provide for monitoring capabilities by linking with INTEX data, Rating Agency and Trustee reports, providing ongoing performance data for each credit and the collateral.

Transaction Description

The Transaction's waterfall, portfolio requirements, coverage tests, events of default and the other relevant structural features have been reviewed and determined to be in line with market standards and other high grade CDO of ABS with weaknesses highlighted throughout.

Co-Issuers:	Class V Funding III, Ltd./ Class V Funding III, Corp.
Underlying Assets:	100% single A rated CDO of ABS
Manager:	Credit Suisse Alternative Capital ("CSAC") serves as the Manager. Manager rating of 3.5. See Appendix F.
Payment Dates:	Payments of interest will be payable quarterly on the 28 th of each month beginning May 2007.
Reinvestment Period:	3 Years – lightly managed with up to 10% of initial balance being reinvested including unscheduled principal payments.
Controlling Class	Class A-1 Notes
Discount Obligations:	1. There are no discount securities in the warehouse pool. Minimum Purchase Price when looking at underlying reference obligations is 85%. There are typical discount provisions on reinvestment.

Collateral Quality Tests:

Collateral Quality Tests are subject to the following:

<i>Designated Maximum Asset Correlation Factor</i>	31
<i>Designated Moody's Maximum Rating Distribution</i>	125

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Moody's Minimum Weighted average recovery rate test: 35%
S&P Weighted Average Recovery Rate test: 40%

Weighted Average Spread: 227 bps; minimum 215bps

S&P CDO Monitor test: Must be satisfied after the purchase and/or sale of any Collateral in the Portfolio.

Weighted Average Life Test: 7 years

Portfolio Parameters:

Securities Limitations:

- 2% issuer concentration with up to 2 to 3.5%
- Rating below A3/A-, 0%
- Rating below A2/A, 8%
- Collateral manager concentration, 10%
- CDO securities, 100%
- CDO², 2%
- ABS CDO, 100%
- Putable, 100%
- Maturing beyond maturity date, 10% (only 5% beyond 5 years)
- Fixed Rate reference obligations, 5%
- Non quarterly pay, 5%
- Cash assets, 20%
- RMBS, 5%
- Static Bespoke (RMBS backed), 2%

Pro Rata Payment
 Conditions:
 Trading Gains:

Sequential pay from the Closing Date

Principal Collections

Interest Waterfall:

While this waterfall covers both synthetic and cash mechanics, it is consistent with the standards in other CDO transactions.

On each Payment Date (which are quarterly, Interest Collections will be distributed in the following priority:

- a) Taxes, filing and registration fees owed by the Co-Issuers,
- b) Pari Passu (i) to any CDS Asset Counterparty, any CDS Asset Interest Payments (CDS Interest Shortfall) due (ii) any Covered Short CDS Asset Counterparty, amounts due, (iii) CDS Counterparty, any payment other than termination payments and (iv) any accrued and unpaid Intermediation Fee
- c) To the trustee and Income Note Paying Agent, fees up to the greater of \$6,250 and .0025%
- d) To the trustee, Collateral Administrator and Income Note Paying

- e) Agency, Administrative Expenses and then to the Expense Reserve Account (until it reaches \$50,000) and these amounts not to exceed \$50,000
- f) Management Fee (10 bps)
- g) Cashflow Swap Fee (7.5% on the AAA and AA Notes)
- h) Pari Passu to the (a) Periodic Interest on the Class A1 Notes (if funded L+45 bps) (b) any Class A1 Swap Option Fee (effectively the commitment fee at 28 bps) and (c) to the Periodic Interest on the Class S Notes
- i) Pari Passu (a) Class A1 Note repayment to pay any interest shortfall and (b) \$1,960,000 to the repayment of the Class S Note
- j) Pari passu (i) any hedge payment (none expected) and (ii) repayment for the Cashflow Swap
- k) First, interest on the Class A2 Notes, second, interest on the Class A3 Notes and third interest on the Class A4 Notes
- l) If the Principal Coverage Test or Interest Coverage Test with respect to the Class A Notes (AAA and AA) is not satisfied, pari passu, (i) repay the A1 Notes if drawn and if undrawn, deposit to the Reserve Account to reduce the the Class A1 Notional Amount and (ii) repay the Class S Notes and then to the Class A notes in order of seniority
- m) Semi-annual Reserve Account (to take care of semiannual pay collateral) (none expected at closing)
- n) Interest on the Class B Note
- o) If the Principal Coverage Test or Interest Coverage Test with respect to the Class B Notes (AAA, AA and single A) is not satisfied, pari passu, (i) repay the A1 Notes if drawn and if undrawn, deposit to the Reserve Account to reduce the the Class A1 Notional Amount and (ii) repay the Class S Notes and then to the Class A notes in order of seniority and then Class B Notes
- p) Interest Shortfall to the Class B
- q) Interest to the Class C
- r) If the Principal Coverage Test or Interest Coverage Test with respect to the Class C Notes (AAA, AA, single A and BBB) is not satisfied, first to pay the Class C Notes to cure or repay and second, pari passu, (i) repay the A1 Notes if drawn and if undrawn, deposit to the Reserve Account to reduce the the Class A1 Notional Amount and (ii) repay the Class S Notes and then to the Class A notes in order of seniority and then Class B Notes
- s) Interest Shortfall to the Class C
- t) Until the end of year 3, to be retained to purchase securities with accrued interest
- u) 25% of remaining amounts to the Class C Notes
- v) Excess Administrative Expenses
- w) Any defaulted swap payments
- x) To the Income Notes

Principal Waterfall:

On each Quarterly Payment Date, principal proceeds will be distributed in the following order:

- a) Clause A and B in the interest waterfall
- b) Pari Passu (i) to any CDS Asset Counterparty, any CDS Asset Principal Payments and termination payments (other than

- c) subordinated payments) (ii) any Covered Short CDS Asset Counterparty, amounts due for termination payments, (iii) CDS Collateral Securities Counterparty, any payment other than subordinated termination payments
- d) Clause C through G above
- e) Repay the Class A1 Note if drawn
- f) Clause I through P above
- g) If the Principal Coverage Test or Interest Coverage Test with respect to the Class C Notes (AAA, AA, single A and BBB) is not satisfied, *pari passu*, (i) repay the A1 Notes if drawn and if undrawn, deposit to the Reserve Account to reduce the the Class A1 Notional Amount and (ii) repay the Class S Notes and then to the Class A notes in order of seniority and then Class B Notes and then the C Notes
- h) Clause R above
- i) Up until the end of year 3 for reinvestment at the manager's option but limited to the reinvestment constraints (including no more than 10% of the initial pool).
- j) First, to pay *pari passu* (i) the the Holders of the Class A1 Notes, the Class A1 Note Amount and then to deposit to the Reserve Account until the Class A1 Swap Notional Amount is reduced to zero, (ii) principal of any outstanding S Note and second, principal in seniority.
- k) Clauses U and V above.
- l) Income Notes

Management Biographies

John G. Popp. *Managing Director-Head of LIG.* Mr. Popp is Head of the Leveraged Investments Group, with primary responsibility for directing the investment decision and monitoring processes and managing/overseeing LIG's global investment strategy. Mr. Popp chairs the LIG ABS Credit Committee. Prior to joining LIG, Mr. Popp was a founding partner and head of asset management of First Dominion Capital, LLC, overseeing the management of \$2.5 billion in CDO Vehicles. From 1992 through 1997, Mr. Popp was a Managing Director of Indosuez Capital and also served as President of Indosuez Capital Asset Advisors, Inc., and President of 1211 Investors, Inc. While at Indosuez, Mr. Popp was responsible for building that firm's asset management business, including the development of three CDO Vehicles aggregating \$1.3 billion. Prior thereto, Mr. Popp was a Senior Vice President in the Corporate Finance Department of Kidder Peabody & Co., Inc., which he joined in 1989. Mr. Popp had previously been a Vice President in the Mergers and Acquisitions Department of Drexel Burnham Lambert. Mr. Popp is a council member of The Brookings Institution and a member of The Juilliard School Council. He holds a B.A. from Pomona College and a M.B.A. from the Wharton Graduate Division of the University of Pennsylvania.

Andrew H. Marshak *Managing Director* Mr. Marshak has global responsibility for overseeing LIG's portfolio management and trading. Mr. Marshak is a member of the LIG ABS Credit Committee. Prior to joining LIG, Mr. Marshak was a Managing Director and a founding partner of First Dominion Capital, LLC, which he joined in 1997 from Indosuez Capital, where he served as a Vice President. Prior to joining Indosuez Capital in 1992, Mr. Marshak was an Analyst in the Investment Banking Department of Donaldson, Lufkin & Jenrette. He holds a B.S., Summa Cum Laude, from the Wharton School of The University of Pennsylvania.

John G. Popp. Managing Director-Head of LIG. Mr. Popp is Head of the Leveraged Investments Group, with primary responsibility for directing the investment decision and monitoring processes and managing/overseeing LIG's global investment strategy. Mr. Popp chairs the LIG ABS Credit Committee. Prior to joining LIG, Mr. Popp was a founding partner and head of asset management of First Dominion Capital, LLC, overseeing the management of \$2.5 billion in CDO Vehicles. From 1992 through 1997, Mr. Popp was a Managing Director of Indosuez Capital and also served as President of Indosuez Capital Asset Advisors, Inc., and President of 1211 Investors, Inc. While at Indosuez, Mr. Popp was responsible for building that firm's asset management business, including the development of three CDO Vehicles aggregating \$1.3 billion. Prior thereto, Mr. Popp was a Senior Vice President in the Corporate Finance Department of Kidder Peabody & Co., Inc., which he joined in 1989. Mr. Popp had previously been a Vice President in the Mergers and Acquisitions Department of Drexel Burnham Lambert. Mr. Popp is a council member of The Brookings Institution and a member of The Juilliard School Council. He holds a B.A. from Pomona College and a M.B.A. from the Wharton Graduate Division of the University of Pennsylvania.

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Michael Shackelford. Director. Mr. Shackelford joined LIG in 2006 and is primarily responsible for managing and marketing ABS CDOs. Mr. Shackelford is a member of the LIG ABS Credit Committee. Prior to joining LIG, Mr. Shackelford was a portfolio manager and trader with INVESCO Institutional (N.A.) Inc. responsible for managing and marketing ABS CDO portfolios. Prior to that Mr. Shackelford was a portfolio manager and trader with AEGON USA Investment Management, LLC. He was also with Credit-Based Asset Servicing and Securitization LLC (C-BASS) in their capital markets group. Mr. Shackelford began his investment career with The Money Store Inc. as a credit analyst and later traded whole loan portfolios. He holds a B.A. in Economics from the University of Texas at Austin and a M.A. in Economics from California State University, Sacramento.

Samir Bhatt. Director. Mr. Bhatt joined LIG in 2004 as a credit analyst and is currently an ABS and structured product trader and a portfolio manager for LIG. Prior to that, Mr. Bhatt worked in the structured finance markets for seven years, the first five in the Structured Products Research group at CS and the previous two as an ABS research analyst and structurer at JPMorgan Chase. Mr. Bhatt is a member of the LIG ABS Credit Committee. Mr. Bhatt holds a B.S. in Computer Science from Cornell University.

Management Fees:

Only one senior fee of 10 basis points.

Key Person:

None

Hedges:

There is no interest rate hedge. As previously described, the manager

can reduce exposure to a credit by either terminating the CDS at market or entering into a Covered Short CDS (i.e., CDO pays premium) which offsets the exposure and the related premium. The manager can not enter into uncovered short CDS.

Status and Form: 144A: DTC
Regulation S: Euroclear and Clearstream.

Additional Issuance: None

Surveillance

Surveillance of the transaction will be conducted by MBS CDO Risk Management, CDO Group and CDO Credit Analytics, and others with specific expertise as appropriate. On-going surveillance will be an extension of the original underwriting credit analytics. Complete reviews will be conducted at least annually. Trustee reports will be reviewed monthly, including trigger levels and monthly trading.

Credit Risk/Return Analytics

Class V Funding III CDO-Squared

Analyst: Emily He

Ambac Analysis:

The Class A1 Super-Senior unfunded tranche (\$500 million notional amount), has 50% subordination. The collateral WARF limit is 122 (A2/A).

- Ambac's premium is 20 bps, and the deal is super-senior with a 51.7% RaRoC.
- RaRoC model reveals expected loss of \$163,392 and CEP of \$4,282,020.
- The initial required S&P capital is *negative* \$9,537,422.
- The transaction models out to be a super senior AAA risk.

The sources and uses table is as follows:

Sources:		Uses:	
Debt:		Collateral Price	1,000,000,000
Class S	39,200,000	Closing Expenses and Accrued Interest	
Class A1 Unfunded SS 2	500,000,000	Accrued Interest for Cash Assets	1,500,000
Class A2	200,000,000	Interest Reserve for Synthetic Assets	4,000,000
Class A3	120,000,000	Moody's	686,000
Class A4	75,000,000	S&P	686,000
Class B	50,000,000	Citigroup Underwriting Fee	20,000,000
Class C	35,000,000	Equity Placement Fee	1,000,000
	980,000,000	Loss Reserve	10,000,000
Income Notes	20,000,000	Other	1,328,000
Total	1,039,200,000		39,200,000
		Total	1,039,200,000

% Risk Profile Summary

Model	Mean Loss	99.90%	99.99%	99.999%
CDO Manager (Ratings) - Base Case	0%	0%	0%	0%

\$ Risk Profile Summary

Model	Mean Loss	99.90%	99.99%	99.999%
CDO Manager (Ratings) - Base Case	\$0	\$0	\$0	\$0

Modelling Parameters and Assumptions

The transaction under review is a \$1.0 billion CDO-squared structure referencing ABS CDOs. Citigroup provided Ambac with a pool that is currently 85% ramped and composed of 48 obligors and 82 different securities. This portfolio contains 100% ABS CDO Mezzanine tranches. The as yet "unramped" 15% of the portfolio was modeled as 7 proxy obligors with assigned coupon of 2.27% and maturity of 6 years. The modeled (fully ramped) portfolio has a total par amount of \$1.0 billion and incorporates 55 obligors and 89 securities.

This transaction involves taking synthetic exposure to cash reference obligations through Pay-As-You-Go Credit Default Swaps ("PAUG CDS"). We have adapted the transaction to replicate a typical cash flow CDO which assumes that 100% of the assets under CDS are put to the CDO (typically only permitted after a credit event). As such, while the CDO will pay an option fee of 28 basis points as a commitment fee in the transaction, we have

assumed a fully funded coupon of LIBOR plus 45 basis points. Further we modeled each assets as paying LIBOR plus the premium on the CDS (less any intermediation fee)

Default Probability Derivation Assumptions

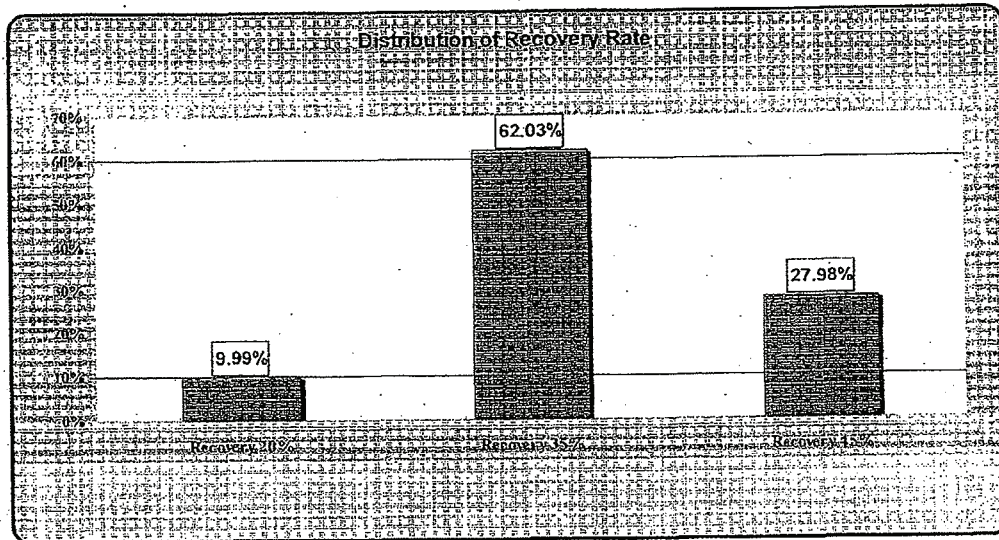
As stated above, the collateral pool will be composed of Single A rated ABS CDOs. Ambac's standard approach to modeling CDO of ABS is ratings-based, employing ratings-implied default probabilities to simulate collateral losses.

Correlation Assumptions

We used Moody's CDOROM to derive pair-wise correlation for the inner CDOs. The weighted average pair-wise correlation we obtained through the model is 32.6%, which is the single-copula correlation we applied to CDOManager run for base case (we normally applied 30% pair-wise correlation to CDO of ABS).

Recovery Assumptions

Recovery Rates were derived from Moody's CDOROM as theoretical ABS recovery rates based on rating, obligor maturities, sector, and tranche thickness. The weighted average recovery rate was 36.5%.



Collateral Quality Test Parameters

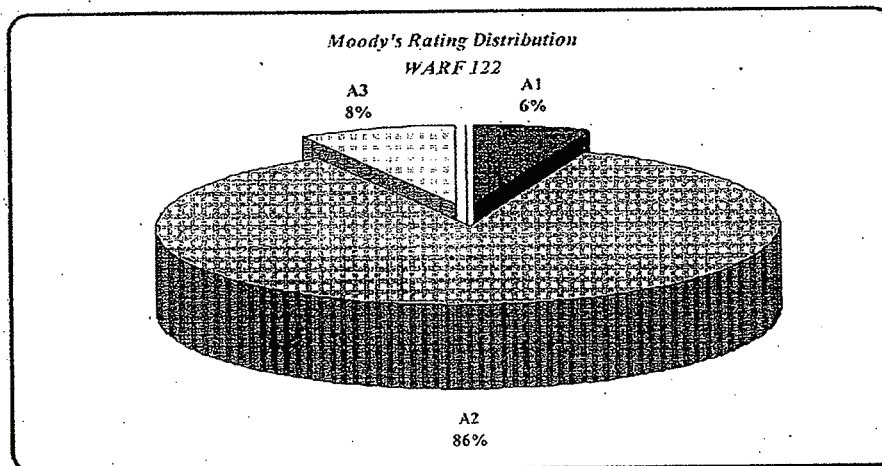
Total Portfolio Collateral	Constraint
Minimum Weighted Average Spread	[210] bps
Maximum % Below A2/A	[8.0]%
Maximum % Below A3/A-	[0]%
Maximum Moody's Weighted Average Rating Factor	A2/A [122]
Minimum Weighted Average Recovery Rate (Moody's)	[35]%
Maximum Weighted Average Life	[7.0] Years

Collateral Characteristics of the Portfolio

	Modeled Portfolio Base Case	Modeled Portfolio Moral Hazard
Portfolio Value	\$1,000,000,000	\$1,000,000,000
Number of Obligors	55	55
Repayment	100%	100%
Average Exposure Size	\$18,181,818	\$18,181,818
Weighted Average Spread	227bps	210bps
Weighted Average Maturity	6.0 Years	7.0 Years
Moody's Weighted Average Recovery Rate	36.5%	35.0%
Weighted Average Rating Factor	122	122
Moody's Asset Correlation	32.6%	32.6%
Maturity Date	2052	2052

Ratings Concentration

The rating distribution of the portfolio for both Moody's is presented in the following pie chart.



Default Analysis:**CDO Manager Assumptions:**

The CDO Manager Monte Carlo base-case simulations incorporate 100,000 iterations to analyze tail loss. The Stress Scenarios are based on 10,000 iterations.

Stress Tests / Sensitivity Scenarios**Rating Shifts**

- Ratings Lowered 3 Notches

All reference obligations ratings were lowered by 3 notches

- Ratings Lowered 6 Notches

Ratings were lowered across all respective collateral assets by 6 notches.

Correlation Sensitivity

Pair-wise correlations doubled from 32.6% to 65.2%.

Recovery Rate Sensitivities

For this stress test we decreased recoveries by one-half, to a WARR of 18.25%.

Moral Hazard

Given that the maximum allowable Collateral Quality Parameters' WARF level is 122, we have ramped the base-case (modeled) portfolio at 122 WARF before any Moral Hazard stresses have been applied. Accordingly, the Moral Hazard scenario is effectively the base case scenario in terms of weighted average rating factor. The Weighted Average Life was increased from 6.0 years (Base Case) to 7 years; the Weighted Average Coupon Spread was reduced to 210bps; and the Weighted Average Recovery Rate was decreased to 35% as stipulated in the Collateral Quality Test Parameters. This is considered to be a "Worst-Case" ramp-up scenario.

Stress Scenario	Mean Loss	P(Ambac Claim)	Shadow Rating
All Ratings Down 3 Notches	0.001475%	0.01%	Aaa
All Ratings Down 6 Notches	0.048335%	0.45%	Aa2
Correlation (65.20% pair-wise)	0.005199%	0.07%	Aa1
Recovery Rates Halved (WARR = 18.25%)	0%	0%	Aaa
Moral Hazard	0%	0%	Aaa

Agency Analysis

Ambac has reviewed the Moody's and S&P analyses provided by Citi Group and confirmed the Aaa and AAA ratings, respectively, on the Class A1 Notes, A2 Notes and A3 Notes.

S&P Methodology (Appendix B)

The S&P analysis uses 80 different static scenarios to generate the breakeven point where the notes break or the first dollar of loss occurs. Across the 80 static scenarios, the Minimum Breakeven Default Rate where the Notes survive is 60.75% and the Average Breakeven Default Rate is 62.66%. According to the S&P CDO Evaluator, the target portfolio must survive a cumulative default rate of at least 21% in order to be rated AAA. Thus, the Class A1a Notes, A2 Notes and A3 Notes are all rated AAA by S&P (please see the results for A2 and A3 Notes in Appendix B).

Moody's Methodology (Appendix C)

Moody's methodology involves calculating expected loss by using CDOROM model, which is a Monte Carlo-based simulation model. CDOROM calculates the expected loss on tranches of CDOs based on asset default probabilities, recovery rates and correlations.

- Moody's is using CDOROM to calculate the Asset Correlation. This model is designed for static synthetics, but it has all the ABS types in the model. They run a one period Monte Carlo simulation and derive the Asset Correlation.
- Cash-flow Model: Bankers provide Moody's with the cash flows for each ABS. Using the Asset Correlation, they run the Cash Flow model that is based on a Correlated Binomial Model. In this model, each asset has a constant single correlation that has been derived in CDOROM. Moody's believes that this method is better as it generates fatter tails so their rating assumptions are stronger.
- Default Probability: Moody's default probabilities are based on an expected loss table. Unlike S&P, Moody's uses the same table for both corporate securities and ABS. It converts expected loss into default probability using an idealized recovery rate of 35%.
- Recovery: Moody's recovery rates are based on asset type, ABS tranche size (as % of capital structure) and rating of the ABS tranche.

The expected loss on the Class V Funding CDO Class A1 Notes is 0.0000%, which is less than the hurdle loss rate of 0.001595% for Aaa rating with 5 years average life.

Appendix A

Class V Funding ABS CDO^2 Modeled Portfolio

Issue	Par Amount (USD)	Floating Spread	Collateral Manager	Attachment	Detachment	Pikreault	Sector	Rating	SD Rating
1 ACABS 2006-1A A3L	9,972,507	2.77% ACA		10.0%	15.3% YES		ABS CDO	A2	A
2 ACABS 2006-1A A3L	9,972,507	2.79% ACA		10.0%	15.3% YES		ABS CDO	A2	A
3 ACABS 2006-2A A3L	10,000,000	1.85% ACA		11.6%	15.5% YES		ABS CDO	A2	A
4 ACABS 2006-2A A3L	10,000,000	2.15% ACA		11.6%	15.5% YES		ABS CDO	A2	A
5 ACABS 2006-AQA A3	10,000,000	2.82% ACA		11.1%	15.1% YES		ABS CDO	A2	A
6 ACABS 2006-AQA A3	10,000,000	2.65% ACA		11.1%	15.1% YES		ABS CDO	A2	A
7 BALDW 2006-4A 1	10,000,000	2.35% GSC		8.4%	10.5% NO		ABS CDO	A1	A
8 BALDW 2006-4A 1	10,000,000	2.65% GSC		8.4%	10.5% NO		ABS CDO	A1	A
9 BAYF 2006-1A 4	9,948,181	2.35% RaboBank		10.1%	12.3% YES		ABS CDO	A2	A
10 BAYF 2006-1A 4	9,948,181	2.65% RaboBank		10.1%	12.3% YES		ABS CDO	A2	A
11 BFCGE 2006-1A A3L	9,926,160	1.85% Braddock		8.7%	14.0% YES		ABS CDO	A2	A
12 BFCGE 2006-1A A3L	9,926,160	2.15% Braddock		8.7%	14.0% YES		ABS CDO	A2	A
13 BUCHN 2006-1A A4	10,000,000	2.35% BSAM		8.2%	9.8% NO		ABS CDO	A1	A
14 BUCHN 2006-1A A4	10,000,000	2.65% BSAM		8.2%	9.8% NO		ABS CDO	A1	A
15 CACDO 2006-1A C1	10,000,000	2.00% SSGA		11.9%	16.7% YES		ABS CDO	A2	A
16 CACDO 2006-1A C1	10,000,000	2.30% SSGA		11.9%	16.7% YES		ABS CDO	A2	A
17 CAMBR 5A B	10,000,000	1.85% Cambridge Place		5.9%	9.7% YES		ABS CDO	A3	A-
18 CAMBR 5A B	10,000,000	2.15% Cambridge Place		5.9%	9.7% YES		ABS CDO	A3	A-
19 CETUS 2006-2A B	10,000,000	2.00% GSC		9.5%	15.0% YES		ABS CDO	A2	A
20 CETUS 2006-2A B	10,000,000	2.30% GSC		9.5%	15.0% YES		ABS CDO	A2	A
21 CETUS 2006-3A C1	10,000,000	2.00% GSC		11.6%	16.8% YES		ABS CDO	A2	A
22 CETUS 2006-3A C1	10,000,000	2.30% GSC		11.6%	16.8% YES		ABS CDO	A2	A
23 CLDW 2006-1A B	10,000,000	1.95% MetWest		7.4%	12.4% YES		ABS CDO	A2	A
24 CRNMZ 2006-2A C	10,000,000	1.90% Carlin		10.6%	15.0% YES		ABS CDO	A2	A
25 CRNMZ 2006-2A C	10,000,000	2.20% Carlin		10.6%	15.0% YES		ABS CDO	A2	A
26 DGCDO 2006-2A C	10,000,000	1.90% SSGA		10.4%	14.2% YES		ABS CDO	A2	A
27 DGCDO 2006-2A C	10,000,000	2.20% SSGA		10.4%	14.2% YES		ABS CDO	A2	A
28 ETRD 2006-5A A3	20,000,000	2.58% E-Trade		9.3%	14.6% YES		ABS CDO	A2	A
29 GEMST 2006-5A C	20,000,000	2.42% HBK		11.8%	15.0% YES		ABS CDO	A2	A
30 GEMST 2006-5A C	20,000,000	2.47% HBK		11.8%	15.5% YES		ABS CDO	A2	A
31 GLCR 2006-4A C	9,936,305	2.17% Terwin		7.1%	10.6% YES		ABS CDO	A2	A
32 GSCSF 2006-4A A3	10,000,000	2.45% GSC		9.7%	15.7% YES		ABS CDO	A2	A
33 GSCSF 2006-4A A3	10,000,000	2.45% GSC		9.7%	15.7% YES		ABS CDO	A2	A
34 ICM 2006-S1 A3L	10,000,000	2.35% Ischus		8.5%	12.5% YES		ABS CDO	A2	A
35 ICM 2006-S2A A3L	10,000,000	2.52% Ischus		8.5%	14.5% YES		ABS CDO	A2	A
36 ICM 2006-S2A A3L	5,000,000	2.47% Ischus		8.5%	14.5% YES		ABS CDO	A2	A
37 ICM 2006-S2A A3L	5,000,000	2.45% Ischus		8.5%	14.5% YES		ABS CDO	A2	A
38 IXCBO 2006-2A C	10,000,000	2.27% Ixis		7.8%	12.0% YES		ABS CDO	A2	A
39 JACKS 2006-4A D	10,000,000	2.35% STATIC		8.3%	16.6% NO		ABS CDO	A1	A
40 JACKS 2006-4A D	10,000,000	2.65% STATIC		8.3%	16.6% NO		ABS CDO	A1	A
41 KNOLL 2006-2A C	9,998,371	2.66% Deerfield		8.4%	13.2% YES		ABS CDO	A2	A
42 LBRAC 2006-1A C	10,000,000	2.05% LBAM		8.7%	14.7% YES		ABS CDO	A2	A
43 LBRAC 2006-1A C	10,000,000	2.35% LBAM		8.7%	14.7% YES		ABS CDO	A2	A
44 LBRTS 2006-1A D	10,000,000	2.52% Cohen Bros.		9.0%	13.0% YES		ABS CDO	A2	A
45 LCERT 2006-1A B	10,000,000	2.00% STATIC		9.5%	15.0% YES		ABS CDO	A2	A
46 LCERT 2006-1A B	10,000,000	2.30% STATIC		9.5%	15.0% YES		ABS CDO	A2	A
47 LSTRT 2006-1A D	10,000,000	2.57% JPMIM		8.6%	12.6% YES		ABS CDO	A2	A
48 MIDOR 2006-1A C	10,000,000	2.40% LBAM		7.9%	13.1% YES		ABS CDO	A2	A
49 MIDOR 2006-1A C	10,000,000	2.52% LBAM		7.9%	13.1% YES		ABS CDO	A2	A
50 MKP 5A C	10,000,000	1.85% MKP		8.6%	9.9% YES		ABS CDO	A2	A

Class V Funding ABS CDO^2 Modeled Portfolio – Continued

Issue	Par Amount (USD)	Floating Spread	Collateral Manager	Attachment	Detachment	PIKable	Sector	Moody Rating	SPR Rating
51 MKP 6A C	10,000,000	2.15%	MKP	8.6%	9.9%	YES	ABS CDO	A2	A
52 MNPT 2006-1A D	9,890,091	2.47%	Fortis Investment	7.5%	10.3%	YES	ABS CDO	A2	A
53 MNPT 2006-2A A4	10,000,000	1.85%	Fortis Investment	9.1%	12.2%	YES	ABS CDO	A2	A
54 MNPT 2006-2A A4	10,000,000	2.15%	Fortis Investment	9.1%	12.2%	YES	ABS CDO	A2	A
55 MNTR 2006-1A C	10,000,000	2.72%	Vanderbilt	8.4%	11.2%	YES	ABS CDO	A2	A
56 OCTAN 2006-1A D	10,000,000	2.00%	Harding	15.0%	18.0%	YES	ABS CDO	A2	A
57 OCTAN 2006-1A D	10,000,000	2.30%	Harding	15.0%	16.0%	YES	ABS CDO	A2	A
58 OCTAN 2006-2A C1	10,000,000	2.00%	Harding	11.6%	16.6%	YES	ABS CDO	A2	A
59 OCTAN 2006-2A C1	10,000,000	2.30%	Harding	11.6%	16.6%	YES	ABS CDO	A2	A
60 ORCHD 2006-3A C	9,962,761	2.49%	STAM	8.2%	9.9%	YES	ABS CDO	A2	A
61 ORCHD 2006-3A C	9,962,761	2.48%	STAM	8.2%	9.9%	YES	ABS CDO	A2	A
62 ORIN 2006-1 C	10,000,000	2.00%	NIB Capital	9.3%	15.2%	YES	ABS CDO	A2	A
63 ORIN 2006-1 C	10,000,000	2.30%	NIB Capital	9.3%	15.2%	YES	ABS CDO	A2	A
64 ORIN 2006-2A C1	10,000,000	2.00%	NIB Capital	11.7%	15.5%	YES	ABS CDO	A2	A
65 ORIN 2006-2A C1	10,000,000	2.30%	NIB Capital	11.7%	15.5%	YES	ABS CDO	A2	A
66 PYXIS 2006-1A C	10,000,000	2.00%	Putnam	9.3%	15.2%	YES	ABS CDO	A2	A
67 PYXIS 2006-1A C	10,000,000	2.30%	Putnam	9.3%	15.2%	YES	ABS CDO	A2	A
68 SCORP 2006-1A D	10,000,000	2.00%	Cohen Bros.	14.7%	15.8%	YES	ABS CDO	A2	A
69 SCORP 2006-1A D	10,000,000	2.30%	Cohen Bros.	14.7%	15.8%	YES	ABS CDO	A2	A
70 TABS 2006-4A D	10,000,000	2.22%	Tricadia	9.5%	12.0%	YES	ABS CDO	A2	A
71 TABS 2006-5A A3	10,000,000	1.90%	Tricadia	11.7%	15.7%	YES	ABS CDO	A2	A
72 TABS 2006-5A A3	10,000,000	2.20%	Tricadia	11.7%	15.7%	YES	ABS CDO	A2	A
73 TABS 2006-6A A3	10,000,000	1.90%	Tricadia	11.7%	15.7%	YES	ABS CDO	A2	A
74 TABS 2006-6A A3	10,000,000	2.20%	Tricadia	11.7%	15.7%	YES	ABS CDO	A2	A
75 TOPG 2006-2A B	20,000,000	2.32%	MelWest	8.3%	12.4%	YES	ABS CDO	A2	A
76 TOURM 2006-2A D	20,000,000	2.01%	BlackRock	7.8%	11.0%	YES	ABS CDO	A2	A
77 VELA 2006-1A C	10,000,000	1.90%	MKP	10.2%	16.7%	YES	ABS CDO	A2	A
78 VELA 2006-1A C	10,000,000	2.20%	MKP	10.2%	16.7%	YES	ABS CDO	A2	A
79 VERT 2006-1A A3	10,000,000	2.05%	Vertical Capital	7.7%	11.7%	YES	ABS CDO	A2	A
80 VERT 2006-1A A3	10,000,000	2.08%	Vertical Capital	7.7%	11.7%	YES	ABS CDO	A2	A
81 VRGO 2006-1A A3	10,000,000	2.57%	Vertical Capital	11.1%	15.1%	YES	ABS CDO	A2	A
82 VRGO 2006-1A A3	10,000,000	2.62%	Vertical Capital	11.1%	15.1%	YES	ABS CDO	A2	A
83 CDO 01	20,000,000	2.27%					ABS CDO	A3	
84 CDO 02	20,000,000	2.27%					ABS CDO	A3	
85 CDO 03	20,000,000	2.27%					ABS CDO	A2	
86 CDO 04	20,000,000	2.27%					ABS CDO	A2	
87 CDO 05	20,000,000	2.27%					ABS CDO	A2	
88 CDO 06	20,000,000	2.27%					ABS CDO	A2	
89 CDO 07	20,556,054	2.27%					ABS CDO	A2	

Appendix B: S&P and Moody's Analysis S&P Breakeven Analysis

S&P Breakeven Results			
	Target Rating	AAA	AAA
	Hurdle Loss Rate	21.00%	21.00%
	S&P Recovery Rate	40.00%	40.00%
	Breakeven	62.66%	43.34%
	Cushion	41.66%	22.34%

		A1	A2	A3
Base	Base Libor	63.00%	46.90%	31.49%
		63.00%	48.60%	32.45%
		63.00%	47.24%	31.97%
		63.00%	46.64%	32.17%
		63.00%	48.55%	32.14%
		63.00%	50.29%	33.11%
		63.00%	48.92%	32.49%
Base	Up	63.00%	48.55%	32.60%
		62.25%	42.97%	30.60%
		63.00%	45.75%	31.94%
		63.00%	43.64%	31.48%
		60.75%	42.49%	31.28%
		63.00%	46.00%	31.95%
		63.00%	49.09%	33.78%
Base	Down	63.00%	46.81%	32.86%
		63.00%	45.87%	32.83%
		63.00%	48.78%	32.09%
		63.00%	49.93%	32.74%
		63.00%	48.92%	32.29%
		63.00%	48.55%	32.52%
		63.00%	49.92%	32.32%
Base	Down/Up	63.00%	50.90%	32.88%
		63.00%	49.90%	32.45%
		63.00%	49.80%	32.62%
		63.00%	44.49%	30.35%
		63.00%	46.17%	31.25%
		63.00%	44.80%	30.80%
		63.00%	44.52%	30.98%
		63.00%	46.01%	30.95%
		63.00%	48.21%	32.37%
		63.00%	46.50%	31.52%
		63.00%	46.21%	31.52%

Moody's Expected Loss Results

EXPECTED LOSSES RESULTS					
			Aaa	Aaa	Aaa
Category	IR Rate	Period			
Base	Base Libor	1	0.00000%	0.0000%	0.0002%
		2	0.00000%	0.0000%	0.0002%
		3	0.00000%	0.0000%	0.0002%
		4	0.00000%	0.0000%	0.0002%
		5	0.00000%	0.0000%	0.0002%
		6	0.00000%	0.0000%	0.0001%
Base	Libor -1 Sigma	1	0.00000%	0.0000%	0.0002%
		2	0.00000%	0.0000%	0.0002%
		3	0.00000%	0.0000%	0.0002%
		4	0.00000%	0.0000%	0.0002%
		5	0.00000%	0.0000%	0.0002%
		6	0.00000%	0.0000%	0.0001%
Base	Libor +1 Sigma	1	0.00000%	0.0000%	0.0002%
		2	0.00000%	0.0000%	0.0002%
		3	0.00000%	0.0000%	0.0002%
		4	0.00000%	0.0000%	0.0002%
		5	0.00000%	0.0000%	0.0001%
		6	0.00000%	0.0000%	0.0001%
Base	Libor -2 Sigma	1	0.00000%	0.0000%	0.0002%
		2	0.00000%	0.0000%	0.0002%
		3	0.00000%	0.0000%	0.0002%
		4	0.00000%	0.0000%	0.0002%
		5	0.00000%	0.0000%	0.0002%
		6	0.00000%	0.0000%	0.0001%
Base	Libor +2 Sigma	1	0.00000%	0.0000%	0.0002%
		2	0.00000%	0.0000%	0.0002%
		3	0.00000%	0.0000%	0.0002%
		4	0.00000%	0.0000%	0.0002%
		5	0.00000%	0.0000%	0.0001%
		6	0.00000%	0.0000%	0.0001%
Slow	Base Libor	1	0.00000%	0.000%	0.000%
		2	0.00000%	0.000%	0.000%
		3	0.00000%	0.000%	0.000%
		4	0.00000%	0.000%	0.000%
		5	0.00000%	0.000%	0.000%
		6	0.00000%	0.000%	0.000%
Slow	Libor -1 Sigma	1	0.00000%	0.000%	0.000%
		2	0.00000%	0.000%	0.000%
		3	0.00000%	0.000%	0.000%
		4	0.00000%	0.000%	0.000%
		5	0.00000%	0.000%	0.000%
		6	0.00000%	0.000%	0.000%
Slow	Libor +1 Sigma	1	0.00000%	0.000%	0.000%
		2	0.00000%	0.000%	0.000%
		3	0.00000%	0.000%	0.000%
		4	0.00000%	0.000%	0.000%
		5	0.00000%	0.000%	0.000%
		6	0.00000%	0.000%	0.000%